Reduction in Rural Poverty Rates

3129. SHRI C. RAMACHANDRAIAH: Will the PRIME MINISTER be pleased to state:

(a) whether the Planning Commission's latest poverty estimates show a sharper reduction in rural poverty rates compared to that in Urban areas in the post-reform period;

(b) if so, in which States of the country the said divide was sharp and the reasons therefor;

(c) the reason for rural areas having performed better than the urban areas in the area of poverty reduction; and

(d) the additional measures that are envisaged to improve the economic position of the urban poor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) The Planning Commission's latest poverty estimates are based on the result of the large sample survey data on household consumer expenditure (NSS 61st Round), covering the period July 2004 to June 2005 [Report No. 508 (61/1.0/1] released on 21st March, 2007. In the results of the 61st round of NSSO, two different consumption distributions for the year 2004-05 have been obtained. The first one from the consumption data collected using 30-days recall period (also known as reference period) for all the items. The other distribution is obtained from the consumer expenditure data collected using 365-day recall period for five infrequently purchased non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses and 30-day recall period for the remaining items. These two consumption distributions have been termed as Uniform Recall Period (URP) consumption distribution and Mixed Recall Period (MRP) consumption distribution respectively. The Planning Commission, using the Export Group methodology has estimated poverty in 2004-05 using both the distributions.

The URP-consumption distribution data of the 61st Round yields a poverty ratio of 28.3 per cent in the rural areas, 25.7 per cent in the urban areas and 27.5 per cent for the country as a whole in 2004-05. The corresponding figures obtained from the MRP-consumption distribution data of the 61st Round are 21.8 per cent in the rural areas, 21.7 per cent in the urban areas and 21.8 per cent for the country as a whole.

The poverty estimates in 2004-05 based on URP consumption distribution (27.5 per cent) is comparable with the poverty estimates of 1993-94, which was 36 per cent. (Table-I) The poverty estimates in 2004-05 based on MRP consumption (21.8 per cent) is roughly (but not strictly) comparable with the poverty estimates of 1999-2000, which was 26.1 per cent (Table-2).

Table 1

Comparison of Poverty Estimates Based on Uniform Recall Period

		1993-94	2004-05
1	Rural	37.3	28.3
2	Urban	32.4	25.7
	Total	36.0	27.5

Table 2

Comparison of Poverty Estimates Based on Uniform Recall Period

		1999-2000	2004-05
1	Rural	27.1	21.8
2	Urban	23.6	21.7
	Total	26.1	21.8

Using the above poverty estimates it is found that the reduction of total poverty ratio between 1993-94 and 2004-05 is about 0.8 percentage points per year. The reduction of poverty ratio is 0.78 percentage point and 0.60 percentage point per year in rural areas and urban areas respectively.

Table 3

Annual Average Change in Poverty Ratio

(Per cent point per year)

		1993-94 to 2004-05 (URP)	1999-2000 to 2004-05 (MRP)
1	Rural	0.78	1.06
2	Urban	0.60	0.38
	Total	0.77	0.87

There is sharp reduction in the gap between the urban and rural poverty ratio from 4.9% point in 1993-94 to 2.6% in 2004-05 (URP). This is due to a faster reduction in rural poverty ratio from 37.3 to 28.3.

(b) and (c) The major states where the decline in poverty ratio in rural areas were more than that of urban areas are Assam, Himachal Pradesh, Bihar, Haryana, Kerala and West Bengal.

The decline in proportion of people below the poverty line (Poverty Ratio) in the above states is determined by a host of factors like growth of agricultural output, better implementation of anti poverty programmes, effect of over all growth of the economy in manufacturing and servicing sectors in these states.

(d) Jawaharlal Nehru National Urban Renewal Mission(JNNURM) was launched by the Honorable Prime Minister on 3rd December, 2005 for creating infrastructure and also to provide Basic Services for Urban Poor with an outlay of Rs. 50,000 crore for a 7-year period beginning 2005-06 Sub-Mission on Basic Services to the Urban Poor (BSUP) is being implemented in the 63 selected cities of the countries as a part of Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The main thrust of the programme is on integrated development of slums through providing shelter, basic services and other related civic amenities to the urban poor. The other components of JNNURM, *i.e.* Integrated Housing and Slum Development Programme (IHSDP) is being implemented in urban areas other than 63 mission Cities. With a view to provide training and gainful employment to the urban poor. Swarna Jayanti Shahri Rozgar Yojana (SJSRY) is being implemented in the urban areas.

Stopping of age old Schemes

†3130. SHRI DILIP SINGH JUDEV: Will the PRIME MINISTER be pleased to state:

(a) whether Government have informed to stop schemes which are age old and have become irrelevant now;

(b) if so, the details of such schemes for the last five years; and

(c) the details of amount saved by way of abandonment of such schemes?

†Original notice of the question was received in Hindi.